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GOVERNOR

## State of Louisiana

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Dear Members:

On behalf of Louisiana's uninsured children and families, I am writing to request your support for important improvements as well as timely reauthorization of the State Children's Health Insurance Program (SCHIP) before it expires September 30, 2007. As a result of SCHIP, Census data shows the percentage of low income uninsured children in Louisiana has decreased from 31.6 % in 1999 (Ranked 46<sup>th</sup>) to 12.5% in 2006 (Ranked 10<sup>th</sup>).

While much progress has been made, Louisiana still has approximately 91,000 uninsured children who have no health insurance. These children are not limited to one background; some live in big cities and others live in small towns. Most have parents who work—some of them multiple jobs—to make ends meet, and all of them deserve access to quality health care.

Our families are working harder than ever before, yet too many do not have access to employer-based insurance coverage. Fewer than 20% of children enrolled in LaCHIP have ever been enrolled in private health insurance in their lifetime. Only 10.5% of our children had employer-based insurance they could have kept and most of them simply could no longer afford private health care coverage.

The following issues relative to reauthorization are of particular interest and importance to Louisiana:

- An increase in the annual allotment amount Even though Louisiana has prudently managed its annual SCHIP allotment and limited coverage to low income children at or below 200% of the poverty level, our expenditures in FFY 08 will significantly exceed our FFY 08 allotment. At the current funding level, Louisiana will be unable to continue to cover the 107,000 children currently enrolled with SCHIP dollars.
- Flexibility to cover children up to 300% of poverty Increasingly, we are seeing Louisiana families no longer qualify for LaCHIP because of a modest increase in income. Hundreds of others applications for uninsured children are denied each month for families with income over 200% of poverty, but for whom employer-sponsored insurance is unavailable or unaffordable. A pay raise should be good news for anyone. That is why Louisiana has expanded eligibility to uninsured children to 300% of poverty with unanimous approval in both the House and the Senate. We will have a waiting period as a deterrent to "crowd out" of available and affordable employer-sponsored insurance and higher income families will share the cost through a monthly premium and co-pays.

August 1, 2007

Page 2

- Baseline for any Incentive Bonus Payment Our enrollment was overstated due to deferral of SCHIP and Medicaid renewals for New Orleans area children for the first 15 months after Hurricane Katrina. Any average that takes into consideration enrollment prior to January 2007 (First Quarter of FFY 08) will adversely impact the receipt and amount of incentive payment based on an increase in enrollment of children from that baseline. We need Louisiana's baseline to be based only on the Second Quarter only average.
- State flexibility to determine acceptable citizenship and identity verification We are committed to assuring that dollars are not spent for ineligible immigrant children; however the current list of allowable documents which went into effect July 1, 2006 has had unintended adverse consequences for citizen children in Louisiana, with thousands losing coverage. We urge that states be given flexibility to establish acceptable methods of documenting this eligibility factor. The additional administrative cost for the unfunded mandate to verify citizenship and identity (\$1.6 million in SFY 07 as well SFY 08) resulted in our identifying just six ineligible aliens whose eligibility we terminated. The total claims paid for the six of them over a three year period was approximately \$18,000.
- Recognizing Medicaid growth The majority of our still uninsured children is poor or near poor and therefore eligible for our existing Medicaid program. It is critical that Congress recognize the growth in Medicaid enrollment that has and will continue to result from SCHIP expansion efforts and provide states the resources to accommodate that growth. SCHIP outreach efforts in Louisiana resulted in the enrollment of more than two Medicaid-eligible children for every additional child enrolled in SCHIP.
- Express Lane Eligibility Children from lowest income families comprise the largest percentage of our uninsured children. Allowing States the option to use income information from other systems like School Lunch, Food Stamps and WIC will help us to identify, inform, and enroll those uninsured children. House Bill 542, which I signed into law July 11, authorizes use of other data systems to establish income eligibility should Congress so allow. We believe this will benefit families while not compromising the integrity of the program.
- Option to cover legal immigrant children We support the provision of matching funds to cover legal immigrant children who have been in the country for less than five years through Medicaid as well as SCHIP.

Improving the health and well being of every Louisiana child is within our sight. The state-federal partnership has been key to that vision and to our successes to date. We have committed additional state resources to provide health coverage to 32,000 additional uninsured children in SFY 2008. We strongly urge that legislation reauthorizing SCHIP reflect the priorities we have outlined above. I look forward to working with you on these, as well as other health care issues in the 110<sup>th</sup> Congress.

Sincerely,



Kathleen Babineaux Blanco  
Governor